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April 19, 2011

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#35 APRIL 19, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER



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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO INCREASE THE TENANT IMPROVEMENT ALLOWANCE AT 600 SOUTH
COMMONWEALTH AVENUE, LOS ANGELES, CALIFORNIA AND DELEGATE AUTHORITY TO
INCREASE AND/OR DECREASE FUNDING FOR FUTURE TENANT IMPROVEMENTS FOR THE
PERIOD OF DATE OF BOARD APPROVAL THROUGH DECEMBER 31, 2011
(SECOND SUPERVISORIAL DISTRICT)
(3 VOTES)**

SUBJECT

Request approval for the Department of Public Health to increase its spending authority for tenant improvements at 600 South Commonwealth Avenue, Los Angeles, California 90005, for the period of date of Board approval through December 31, 2011; and delegate authority to increase and/or decrease funding.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Department of Public Health (DPH) to increase its previously approved spending authority for tenant improvements (TI) at 600 South Commonwealth Avenue, Los Angeles, California 90005 by \$58,000, an increase in DPH's total lease maximum obligation for this location from \$2,600,225 to \$2,658,225; 100 percent funded by Ryan White Part A and CDC Cooperative Agreement Services grant for the period of date of Board approval through December 31, 2011.
2. Delegate authority to the Director of DPH, or his designee, to increase and/or decrease funding up to 10 percent above or below the requested increase of \$58,000, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office (CEO).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will provide DPH with the spending authority to make necessary space modifications to the 9th and 11th floors now occupied by DPH's Office of AIDS Programs and Policy (OAPP). In June 2010, DPH consolidated OAPP staff from three floors (9th, 10th and 11th) onto two floors (10th and 11th). Approval will allow DPH to secure contractor services needed to: 1) make changes to room 904, which is currently used as a resource library and for provider training purposes, 2) construct three new offices, and 3) enclose an existing shared work space.

Ninth Floor

OAPP continues to use space on the 9th floor for meeting, conference, and training purposes. Modifications are needed to adapt the space on the 9th floor to meet these needs. The existing computer work station and storage shelving apparatus in room 904 will be removed and salvaged. The room will be used as OAPP's general computer training room to accommodate 12 participants.

Eleventh Floor

Approval of the recommended action will allow DPH to construct offices approved for specific management personnel on the 11th floor. This will maintain the space allocation by staff items previously approved for DPH's OAPP by CEO. Additionally, contractors will complete the enclosure of a shared work space on the 11th floor to assure privacy and confidentiality when this space is used for conferences and meetings. This is important, given the lack of available meeting space on the 10th and 11th floors.

Approval of the recommended delegated authority to increase and/or decrease spending commensurate with actual costs will allow DPH to fully utilize funds and complete all plan goals in a timely manner. Delegated authority of 10 percent will allow DPH to respond to additional, unforeseen costs without having to stop the project and will ensure job completion on schedule.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

One-time funding in the amount of \$58,000 is 100 percent offset by Ryan White Part A and CDC Cooperative Agreement grant funds included in DPH's FY 2010–11 Final Adopted Budget.

There is no net County cost (NCC) associated with this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On April 19, 2005, your Board authorized a ten-year lease between Commonwealth Management, LLC at 600 S. Commonwealth Avenue and the Department of Health Services (DHS), now DPH. The CEO and DHS/DPH were authorized an initial Tenant Improvement and Discretionary Tenant Improvement allowance in the amount of \$1,800,225 amortized over the ten-year lease period at six percent.

On June 19, 2007, your Board authorized DPH an additional TI allowance of \$800,000 to increase its total maximum obligation to \$2,600,225. These costs were 100 percent offset by grant funds and identified net County cost savings.

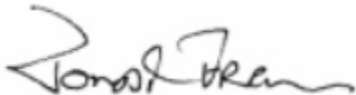
In August 2008, OAPP took possession of three floors (9th, 10th, and 11th). In September 2009, deep State funding reductions forced OAPP to curtail budgeted positions that brought staffing levels below the threshold for three floors. To save funds, OAPP consolidated staff onto two floors (10th and 11th) and a temporary occupant, DPH's Health Facilities Inspection, was identified to occupy a portion of the 9th floor.

Consistent with lease requirements, Commonwealth Management, LLC will perform all renovations or sub-contract the necessary duties to ensure that the work is satisfactorily completed.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow DPH to increase its spending authority for TI needed to maximize use of the 9th floor and ensure equitable space allocations for OAPP staff.

Respectfully submitted,



JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

JEF:mjp:jlh

c: Chief Executive Officer
County Counsel
Executive Officer Board of Supervisors